

**Internal Revenue Service  
P.O. Box 2508  
Cincinnati, OH 45201**

**Department of the Treasury**

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**Employer Identification Number:**

**Contact Person - ID Number:**

**Contact Telephone Number:**

**Date: January 11, 2012**

**UIL 4945.04-04**

**LEGEND**

**B = Nominating Institutions**

**u = number range  
v = number range  
w = \$amount  
x = \$amount  
z = \$amount**

**Dear :**

We have considered your request for advance approval of a grant-making program under section 4945(g)(3) of the Internal Revenue Code, received with a postmark date of April 19, 2011.

Our records indicate that you were recognized as exempt from Federal income tax under section 501(c)(3) of the Code and that you are classified as a private foundation defined in section 509(a).

You indicate that you will operate a grant-making program designed to achieve a specific objective, namely to advance research relating to the causes and cure of Parkinson's disease.

You will first identify nonprofit academic, medical or research institutions, which have demonstrated excellence in neuroscience research, and which adhere to nondiscriminatory operational policies (collectively the "Nominating Institutions"). B includes a representative sample of the institutions identified. Criteria that determine the qualification of an institution as a "Nominating Institution" include the following:

- National reputation for excellence in research related to the causes and cures of neurological diseases.
- Existence of an established neuroscience department dedicated to the promotion of innovative and original research and the use of cutting-edge technologies, and committed to training and retraining exceptional researchers.
- Emphasis on multi-disciplinary and collaborative research.

- Overall financial health and robust fiscal practices of the institution generally, and financial commitment to funding neurological research.

From time to time, your sole trustee (or an advisor to the trustee acting at the request of the trustee) will contact some or all of the nominating institutions to inform them of the availability of your individual research grants, and to request that each such nominating institution submit to you a nomination of one or more individuals who meet the criteria for selection as "qualified nominees". The nominating institutions, and the qualified nominees, will be required to complete various forms in connection with this process. You will not entertain unsolicited grant proposals.

To be eligible to be a qualified nominee, individuals must meet the following standards:

- He or she must hold or be in the final stages of obtaining a Ph.D., M.D or equivalent degree.
- He or she must be a current or incoming postdoctoral fellow, or a more experienced researcher at a nonprofit academic, medical or research institution, and must have been recommended by a nominating institution.
- He or she must demonstrate a specific interest in Parkinson's disease research, as demonstrated in a suitably documented outline (which shall be included in his or her application or of his or her proposed research relating to the disease).
- He or she may, but need not be a U.S citizen. However, grants will be available only for research in a laboratory located in the United States.

To apply for the grant, a qualified nominee must submit to you the following:

- Nomination form;
- Application form;
- An outline of the proposed Parkinson's disease research program;
- Information regarding the nominee including an up-to-date curriculum vitae; and
- Information regarding the nominating institution, including:
  - The institution's audited financial statements for the most recent two years.
  - The current operating budget of the Institution,
  - School and department at which the nominee will be performing the proposed Parkinson's disease research
  - A list of the institution's current Board of Directors, and
  - A copy of the institution's current IRS §501(c)(3) exemption letter.

To select grant recipients from qualified nominees, your trustee will examine various objective criteria including, but without limitation, academic credential, relevant research

experience, proposed research plan and level of support from the pertinent nominating institution.

The trustee will select grant recipients without regard to race, ethnicity, age, religion, or gender.

The trustee is obligated to disclose any personal knowledge of and relationship with any potential grantees or grantees under consideration. It is not expected that the current trustee or any future trustee will be in a position to derive a private benefit, either directly or indirectly, if any potential individual grantee is selected over others.

However, in the unlikely event that a circumstance arises in which the trustee could be perceived as having derived, or might be likely to derive private benefit if a particular individual receives a grant from you, the trustee shall:

- a) refrain from participating in any aspect of the selection process relating to that individual, and
- b) take such other appropriate measures as are necessary to ensure that an independent party, with no standing to derive a private benefit, controls whether such individual receives a grant from you.

Under certain circumstances, the trustee would designate one or more independent parties to engage in the selection process. A party would be deemed to be "independent" for these purposes if he or she

- (a) is not related to the particular grant candidate,
- (b) is not employed by or otherwise receives financial remuneration from the grant candidate or the relevant nominating institution, and
- (c) has not derived, and is not in a position to derive, any private benefit, either directly or indirectly, if any potential individual grantee is selected over others.

No grant may be given to a trustee of your foundation, your grantor, or any other disqualified person as defined in §4946(a) of the Code with respect to your foundation, or for a purpose that is inconsistent with the purposes described in §170(c)(2)(B) of the Code.

You will mail an Award Statement to each grant recipient. The grant recipient, his or her sponsoring investigator and an institutional representative from the nominating institution must sign an award acceptance form provided by you. The award acceptance must be returned to you within ten (10) working days following notification of the award.

You will pay each grant directly to the nominating institution for the use of the grantee. The relevant institutions are required to agree that they will hold the grantee's funds in a segregated account, and will disburse such funds on the terms you have required.

Upon completion of the research for which the grant was made, each individual grantee must submit a final report to you, which summarizes the research performed during the period of the grant, evaluates the results, and accounts for the funds received under the grant.

In addition, each grantee is required to submit a detailed progress report to you at least annually. The report would summarize the research performed during the year and will provide an evaluation of the results.

Also, the financial officer of the nominating institution must maintain a separate account for the funds held for the grantee. Such account must be available for audit by your representatives. In addition, each nominating institution must provide a financial expenditure report to you within 30 days of the end of each award year. The award statement provides detailed guidelines regarding the preparation of the report. Financial summary report forms must be submitted to you at least annually.

If reports or other information (including failure to submit reports) indicate that all or any part of a grant is not being used for the purposes intended, you will investigate and withhold further payments during the investigation. If all or any part of a grant is not being used for the intended purpose, you will take all reasonable and appropriate steps (including legal action where appropriate) to recover the grant funds and/or restore diverted funds to the purposes of the grant.

Each year you expect there will be u qualified nominees for foundation grants, and you expect to award v individual grants. Each grant will be for \$w, will be awarded in three annual installment of \$x each, and will not be renewable. Payments of the second and third installments are contingent upon satisfactory review of the grant recipient's annual progress report.

In addition to the fellowship, a sum of \$z is to be awarded each year to the laboratory in which the fellow is working and can be used by the fellow for his/her educational and scientific expenses. With a written request to you from the fellow, the expense allowance may be used to defray the cost of health benefits. It is not an allowance for institutional overhead, postdoctoral scholar registration fees or postdoctoral fellowship taxes. Institutions may not automatically deduct any fees from the allowance without your fellow's approval.

You will periodically conduct a reasonable search of publicly available information, including the OFAC list, to ensure that no individual or organization with whom you are dealing is suspected of activities related to terrorism, including terrorist financing or other support, or is otherwise subject to OFAC sanctions.

You agree that you will maintain records indefinitely that include:

- the information used to evaluate the qualifications of potential grantees, including any recommendations;
- the identification of the grantees, including the determination as to whether a potential grantee has any relationship to the private foundation or is a disqualified person (although a disqualified individual would not be eligible);
- the amount and purpose of each grant, and all requirements imposed on the grantee with respect thereto;
- all grantee reports and other follow-up data obtained in administering your grant program.

Sections 4945(a) and (b) of the Code impose certain excise taxes on "taxable expenditures" made by a private foundation.

Section 4945(d)(3) of the Code provides that the term "taxable expenditure" means any amount paid or incurred by a private foundation as a grant to an individual for travel, study, or other similar purposes by such individual, unless such grant satisfies the requirements of subsection (g).

Section 4945(g) of the Code provides that section 4945(d)(3) shall not apply to individual grants awarded on an objective and nondiscriminatory basis pursuant to a procedure approved in advance if it is demonstrated that:

- (1) The grant constitutes a scholarship or fellowship grant which is subject to the provisions of section 117(a) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii);
- (2) The grant constitutes a prize or award which is subject to the provisions of section 74(b), if the recipient of such prize or award is selected from the general public, or
- (3) The purpose of the grant is to achieve a specific objective, produce a report or similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee.

Section 53.4945-4(c)(1) of the Regulations provides that to secure approval, a private foundation must demonstrate that:

- (i) Its grant procedure includes an objective and nondiscriminatory selection process;
- (ii) Such procedure is reasonably calculated to result in performance by grantees of the activities that the grants are intended to finance; and
- (iii) The foundation plans to obtain reports to determine whether the grantees performed activities that the grants are intended to finance.

Based on the information submitted and assuming your award programs will be conducted as proposed with a view to provide objectivity and nondiscrimination in making the awards, we have determined that your procedures for granting the awards comply with the requirements contained in section 4945(g) of the Code and that awards granted in accordance with such procedures will not constitute "taxable expenditures" within the meaning of section 4945(d)(3).

This determination is conditioned on the understanding that there will be no material change in the facts upon which it is based. It is further conditioned on the premise that no grants will be awarded to foundation managers, or members of the selection committee, or for a purpose that is inconsistent with the purpose described in section 170(c)(2)(B) of the Code.

The approval of your award program procedures herein, effective July 1, 2011, constitutes a one-time approval of your system standards and procedures designed to result in awards which meet the requirements of section 4945(g)(3) of the Code. This determination only covers the grant programs described above. Thus, approval shall apply to subsequent award programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

We have not considered whether grants made under your procedures are excludable from the gross income of recipients under section 117(a) of the Code.

Any funds you distribute to individuals must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should maintain adequate records and case histories so that any or all award distributions can be substantiated upon request by the Internal Revenue Service.

This determination is directed only to the organization that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as a precedent.

You must report any future changes in your grant making procedures. Please keep a copy of this letter in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Lois G. Lerner  
Director, Exempt Organizations

Enclosure: Notice 437  
A redacted copy of this letter